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## TAIWAN/PRC: NEW INDEPENDENCE CHALLENGE

In elections on Saturday the pro-independence Osmocratic Progressive party (DPP) necre than doubled its shore of sects in the legislature

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## Let the heads roll

KMT Secretary-General James Soong offered his resignation a day after the election to take responsibility for the poor and un-AS precedented KMT showing and to protect President Lee Teng-hui. KMT conservatives did well in the election - particularly two who ran against the party bureaucracy though their numbers are limited, and all 11 conservatives backed by military "iron votes" won. "Golden cow" legislators tied to major business interests had mixed results; money politics will be a serious problem in the new legislature.

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Premier Hau Pei-tsun and his cabinet will resign, though the date is undecided; the president has the option of reappointing Hau or choosing a new premier. T

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Potential candidates to replace Hau inrlude US-educated Taiwan governor Lian F.175 \_\_and Lin Citan. Yang-kang. RIAS

(CONFIDENTIAL)

Though the KMT will control the legislature with 102 out of 161 seats, the -ruling party will have to take into account opposition views in formulating policy. Contentious debates and temporary logiams in the legislature are probable as the copposition demands more attention to social welfare and the environment and asserts a say over mainland policy, up to now an

## Opposition gains

exclusive KMT preserve.

The DPP scored a major breakthrough in the election. For the first time it won more than 30% of the popular vote; more important, it increased its representation from 18 to 50. Many DPP winners outpolled KMT rivals, and a higher proportion of DPP than KMT candidates gwere elected. The party ran on an anti-corruption platform, appealing voters' pocketbooks and to dissatisfaction with government performance. The DPP may not be entirely prepared for successi it lacks strong organization and funding.